

110TH CONGRESS  
2D SESSION

# H. R. 5961

To amend titles XIX and XXI of the Social Security Act to place a general eligibility ceiling of 250 percent of the poverty level on gross income for eligibility for benefits under Medicaid and SCHIP.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2008

Mr. GINGREY (for himself, Mr. FEENEY, Mr. WALDEN of Oregon, Mr. HERGER, Mr. BARTLETT of Maryland, Mr. KINGSTON, Mr. BROUN of Georgia, Mr. MILLER of Florida, Mr. WILSON of South Carolina, Mr. PRICE of Georgia, Mr. WESTMORELAND, and Mr. DEAL of Georgia) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend titles XIX and XXI of the Social Security Act to place a general eligibility ceiling of 250 percent of the poverty level on gross income for eligibility for benefits under Medicaid and SCHIP.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicaid and SCHIP  
5 Abuse Prevention Act of 2008”.

1 **SEC. 2. SCHIP AND MEDICAID GROSS INCOME ELIGIBILITY**

2 **CEILING.**

3 (a) APPLICATION OF SCHIP ELIGIBILITY CEIL-  
4 ING.—

5 (1) IN GENERAL.—Section 2110 of the Social  
6 Security Act (42 U.S.C. 1397jj) is amended—

7 (A) in subsection (b)(1)—

8 (i) by striking “and” at the end of  
9 subparagraph (B);

10 (ii) by striking the period at the end  
11 of subparagraph (C) and inserting “; and”;  
12 and

13 (iii) by adding at the end the fol-  
14 lowing new subparagraph:

15 “(D) whose gross family income (as de-  
16 fined in subsection (c)(9)) does not exceed 250  
17 percent of the poverty line.”; and

18 (B) in subsection (c), by adding at the end  
19 the following new paragraph:

20 “(9) GROSS FAMILY INCOME.—

21 “(A) IN GENERAL.—Subject to subpara-  
22 graph (B), the term ‘gross family income’  
23 means, with respect to an individual, gross in-  
24 come (as defined by the Secretary in regula-  
25 tions) for the members of the individual’s fam-  
26 ily. For purposes of the previous sentence, in

1 defining ‘gross income’ the Secretary shall, to  
 2 the maximum extent practicable, include income  
 3 from whatever source, other than amounts de-  
 4 ducted under section 62(a)(1) of the Internal  
 5 Revenue Code of 1986.

6 “(B) INCOME DISREGARDS AUTHORIZED.—

7 A State may provide, through a State plan  
 8 amendment and with the approval of the Sec-  
 9 retary, for the disregard from gross family in-  
 10 come of one or more amounts so long as the  
 11 total amount of such disregards for a family  
 12 does not exceed \$250 per month, or \$3,000 per  
 13 year.”.

14 (2) DENIAL OF FEDERAL MATCHING PAYMENTS

15 FOR STATE SCHIP EXPENDITURES FOR INDIVIDUALS  
 16 WITH GROSS FAMILY INCOME ABOVE 250 PERCENT  
 17 OF THE POVERTY LINE.—Section 2105(c) of the So-  
 18 cial Security Act (42 U.S.C. 1397ee(c)) is amended  
 19 by adding at the end the following new paragraph:

20 “(8) DENIAL OF PAYMENTS FOR EXPENDI-

21 TURES FOR CHILD HEALTH ASSISTANCE FOR INDI-  
 22 VIDUALS WHOSE GROSS FAMILY INCOME EXCEEDS  
 23 250 PERCENT OF THE POVERTY LINE.—No payment  
 24 may be made under this section, for any expendi-  
 25 tures for providing child health assistance or health

1        benefits coverage under a State child health plan  
 2        under this title, including under a waiver under sec-  
 3        tion 1115, with respect to an individual whose gross  
 4        family income (as defined in section 2110(c)(9)) ex-  
 5        ceeds 250 percent of the poverty line.”.

6            (3) CONFORMING AMENDMENT TO MAINTENANCE OF EFFORT.—Section 2105(d)(1) of such Act  
 7        (42 U.S.C. 1397ee(d)(1)) is amended by inserting  
 8        before the period at the end the following: “, unless  
 9        such income standards were adopted in order to  
 10        comply with the requirements of section 1939”.

12        (b) MEDICAID GROSS INCOME ELIGIBILITY CEILING.—  
 13

14            (1) IN GENERAL.—Title XIX of the Social Se-  
 15        curity Act is amended by redesignating section 1939  
 16        as section 1940 and by inserting after section 1940  
 17        the following new section:

18        **“SEC. 1939. INCOME ELIGIBILITY LIMITATION.**

19        “Notwithstanding any other provision of this title, no  
 20        individual with gross family income (as defined in section  
 21        2110(c)(9)) that exceeds 250 percent of the poverty line  
 22        shall be eligible to receive medical assistance under a State  
 23        plan under this title, including under a waiver under sec-  
 24        tion 1915 or 1115.”.

1           (2) DENIAL OF FEDERAL MATCHING PAYMENTS  
2           FOR STATE EXPENDITURES FOR MEDICAL ASSIST-  
3           ANCE FOR INDIVIDUALS WHOSE GROSS FAMILY IN-  
4           COME EXCEEDS 250 PERCENT OF THE FEDERAL  
5           POVERTY LINE.—Section 1903(i) of such Act (42  
6           U.S.C. 1396b(i)) is amended—

7                   (A) in paragraph (22) by striking “or” at  
8           the end;

9                   (B) in paragraph (23) by striking the pe-  
10          riod at the end and inserting “; or”; and

11                  (C) by inserting after paragraph (23) the  
12          following new paragraph:

13                  “(24) if a State fails to comply with the provi-  
14          sions of section 1939, with respect to amounts ex-  
15          pended by a State for medical assistance for individ-  
16          uals to whom the income eligibility limitation under  
17          such section applies.”.

18           (3) MEDICAID STATE PLAN REQUIREMENTS.—  
19          Section 1902(a) of such Act (42 U.S.C. 1396a(a))  
20          is amended—

21                   (A) in paragraph (69) by striking “and” at  
22          the end;

23                   (B) in paragraph (70) by striking the pe-  
24          riod at the end and inserting “; and”; and

1 (C) by inserting after paragraph (70) the  
2 following new paragraph:

3 “(71) provide that the State complies with the  
4 requirements of section 1939.”.

5 (4) CONFORMING AMENDMENT RELATING TO  
6 INCOME ELIGIBILITY.—Section 1903(f)(1)(A) of  
7 such Act (42 U.S.C. 1396b(f)(1)(A)) is amended by  
8 inserting before the period at the end the following:  
9 “, if such payments are not otherwise prohibited  
10 under subsection (i)(24),”.

11 (c) EFFECTIVE DATE; TRANSITION.—

12 (1) IN GENERAL.—Subject to paragraph (2),  
13 the amendments made by this section shall apply to  
14 payments made for items and services furnished on  
15 or after the first day of the first calendar quarter  
16 beginning more than 90 days after the date of the  
17 enactment of this Act.

18 (2) TRANSITION.—The amendments made by—

19 (A)(i) subsection (a)(1) shall not apply to  
20 an individual who was receiving, or was deter-  
21 mined eligible to receive, child health assistance  
22 or health benefits coverage under a State child  
23 health plan under title XXI of the Social Secu-  
24 rity Act, including under a waiver under section  
25 1115 of such Act, as of the day before the date

1 of the enactment of this Act, until such date as  
2 the individual is determined ineligible using in-  
3 come standards or methodologies in place as of  
4 the day before the date of the enactment of this  
5 Act; and

6 (ii) subsection (a)(2) shall not apply to  
7 payment for items and services furnished to an  
8 individual described in clause (i);

9 (B)(i) subsection (b)(1) shall not apply to  
10 an individual who was receiving, or was deter-  
11 mined eligible to receive, medical assistance or  
12 health benefits coverage under a State plan  
13 under title XIX of the Social Security Act, in-  
14 cluding under a waiver under section 1115 of  
15 such Act, as of the day before the date of the  
16 enactment of this Act, until such date as the in-  
17 dividual is determined ineligible using income  
18 standards or methodologies in place as of the  
19 day before the date of the enactment of this  
20 Act; and

21 (ii) subsection (b)(2) shall not apply to  
22 payment for items and services furnished to an  
23 individual described in clause (i).

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